

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
FINANCIAL REPORT
JUNE 30, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
 Families Helping Families of Acadiana, Inc.
 Lafayette, Louisiana

We have audited the accompanying statement of financial position of Families Helping Families of Acadiana, Inc. (a nonprofit organization) as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families Helping Families of Acadiana, Inc., as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 9, 2013 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

John S Dowling & Co

Opelousas, Louisiana
 January 9, 2013

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

ASSETS

	<u>2012</u>
<u>Current Assets</u>	
Cash	\$ 50,127
Certificate of deposit	6,063
Accounts receivable	22,379
Prepaid insurance	<u>1,883</u>
<u>Total current assets</u>	<u>80,452</u>
<u>Property and Equipment</u>	
Equipment and furniture	25,336
Less Accumulated depreciation	<u>(22,645)</u>
<u>Total property and equipment</u>	<u>2,691</u>
<u>Total assets</u>	<u><u>83,143</u></u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>	
Accounts payable	2,795
Accrued payroll and payroll taxes	<u>4,360</u>
<u>Total current liabilities</u>	<u>7,155</u>
<u>Net Assets</u>	
Unrestricted	<u>75,988</u>
<u>Total liabilities and net assets</u>	<u><u>83,143</u></u>

The accompanying notes are an integral part of this statement

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

	<u>2012</u>
<u>REVENUES AND OTHER SUPPORT</u>	
Government contracts and grants	\$ 244,226
Contributions and memberships	4,408
Interest and other income	<u>202</u>
<u>Total revenues and other support</u>	<u>248,836</u>
<u>FUNCTIONAL EXPENSES</u>	
Program services	167,013
Management and general	<u>34,639</u>
<u>Total functional expenses</u>	<u>201,652</u>
<u>CHANGE IN NET ASSETS</u>	47,184
<u>NET ASSETS</u> , beginning of year	<u>28,804</u>
<u>NET ASSETS</u> , end of year	<u><u>75,988</u></u>

The accompanying notes are an integral part of this statement

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012

	2012		
	Program Services	Management and General	Total
Accounting	\$ 5,065	\$ -	\$ 5,065
Advertising	1,834	-	1,834
Bank charges	-	371	371
Conferences and workshops	3,227	-	3,227
Copier	8,813	-	8,813
Depreciation	-	1,564	1,564
Donations	100	30	130
Dues and subscriptions	316	298	614
Insurance	-	1,637	1,637
Miscellaneous expense	1,940	1,858	3,798
Office supplies	5,299	1,480	6,779
Payroll taxes	8,253	1,812	10,065
Postage and shipping	1,818	78	1,896
Printing and publications	880	-	880
Rent expense	23,951	610	24,561
Repairs and maintenance	-	4,598	4,598
Salaries	87,037	19,646	106,683
Stipends	1,179	-	1,179
Taxes and licenses	-	27	27
Telephone	3,373	-	3,373
Training and education	250	-	250
Travel, meals, and lodging	7,331	630	7,961
Utilities	6,347	-	6,347
<u>Total functional expenses</u>	<u>167,013</u>	<u>34,639</u>	<u>201,652</u>

The accompanying notes are an integral part of this statement

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>2012</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Change in net assets	\$ 47,184
Adjustment to reconcile change in net assets to net cash provided by operating activities.	
Depreciation	1,564
Decrease (increase) in operating assets -	
Accounts receivable	(2,231)
Prepaid Insurance	(1,398)
Deposits	500
Increase (decrease) in operating liabilities -	
Accounts payable	(5,030)
Accrued payroll and payroll taxes	(2,044)
Deferred revenues	(5,141)
<u>Net cash provided by operating activities</u>	<u>33,404</u>
<u>CHANGE IN CASH AND CASH EQUIVALENTS</u>	<u>33,404</u>
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	<u>16,723</u>
<u>CASH AND CASH EQUIVALENTS, end of year</u>	<u>50,127</u>

The accompanying notes are an integral part of this statement

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE (1) - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF ORGANIZATION

Families Helping Families of Acadiana, Inc. (THE "FHF") administers programs for the benefit of individuals with disabilities and families who have children with special needs. FHF is a resource center for information, referrals, education, training, and peer support for all persons with disabilities and their families. FHF also serves as a resource for professionals. FHF serves the Louisiana parishes of Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, and Vermilion.

B. FINANCIAL STATEMENT PRESENTATION

The financial statements of FHF are prepared on the accrual basis of accounting. This means revenues are recognized when earned and expenses are recognized when incurred.

C. PROPERTY AND EQUIPMENT

FHF capitalizes all assets with a cost, or value if donated, in excess of \$500. These assets are depreciated over a five or seven year estimated useful life using the straight-line method.

D. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

E. ACCOUNTS RECEIVABLE

Accounts receivable are considered collectible; accordingly, an allowance for doubtful accounts is not recorded.

F. USE OF ESTIMATES

Financial statements are prepared in conformity with generally accepted accounting principles. These principles require management to make estimates and assumptions affecting certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. INCOME TAX STATUS

FHF is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). The Organization's Forms 990, Return of Organization Exempt from Income Taxes, for the years ended 2011, 2010, and 2009 are subject to examination by the IRS, generally for three years after they were filed.

H. COMPENSATED ABSENCES

There were no compensated absences for the year ended June 30, 2012.

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE (1) - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

I. FUNCTIONAL EXPENSE ALLOCATIONS

A summary of the costs of providing various program and supporting services is in the statement of functional expenses. Accordingly, certain costs are allocated between the programs and supporting service benefited.

J. ADVERTISING COSTS

Advertising costs are expensed as incurred. Advertising expense for the year ended June 30, 2012 was \$1,834.

K. DEFERRED REVENUE

Deferred revenue represents funding received for which the related expenses have not been incurred.

NOTE (2) - CONCENTRATIONS OF CREDIT RISK

FHF maintains its cash balances at one financial institution. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2012, FHF's cash balances are fully insured.

NOTE (3) - RISK AND UNCERTAINTIES

The State of Louisiana, through various departments and agencies, is the primary controller of revenue for FHF. In the future, financial problems of the State of Louisiana may result in reduced funding. It is possible certain programs may be severely affected by these declining revenues. However, management believes changes can be incorporated into the continuing operations without a catastrophic result.

NOTE (4) - OPERATING LEASES

On October 1, 2008, FHF entered into a new copier lease. The lease for the copier matures in October 2013. Payments are \$650 per month with additional charges based on usage. On December 20, 2010, FHF entered into a new office lease for \$1,950 per month and which expired in January of 2012. On January 5, 2012, FHF renewed its office lease for \$2,050. The renewed building lease expires in January of 2013. Total rent and lease expense for the year ended June 30, 2012 was \$33,374. The minimum future payments under these leases are as follows:

2013	\$20,100
2014	<u>2,600</u>
	<u>22,700</u>

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE (5) - SUBSEQUENT EVENTS

Subsequent events occurring after June 30, 2012 were evaluated through January 9, 2013, the date the financial statements were available to be issued.

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**REPORT ON INTERNAL CONTROL OVER
 FINANCIAL REPORTING AND ON COMPLIANCE
 AND OTHER MATTERS BASED ON AN AUDIT
 OF FINANCIAL STATEMENTS PERFORMED IN
 ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
 Families Helping Families of Acadiana, Inc.
 Lafayette, Louisiana

We have audited the financial statements of Families Helping Families of Acadiana, Inc. (a nonprofit organization) as of and for the year ended June 30, 2012, and have issued our report thereon dated January 9, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of Families Helping Families of Acadiana, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Families Helping Families of Acadiana, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Families Helping Families of Acadiana, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material

To the Board of Directors
Families Helping Families of Acadiana, Inc.
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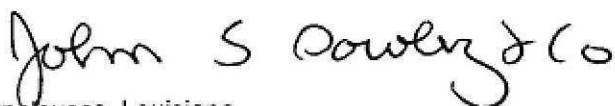
weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting as items 2012-1, 2012-2, 2012-3 and 2012-4. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Families Helping Families of Acadiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and responses as items 2012-5 and 2012-6.

Families Helping Families of Acadiana, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of finding and responses. We did not audit Families Helping Families of Acadiana, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Organization's management and the appropriate regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


Opelousas, Louisiana
January 9, 2013

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2012

Section I – Summary of Auditor's Report

1. The auditor's report expresses an unqualified opinion on the financial statements of Families Helping Families of Acadiana, Inc. as of and for the year ended June 30, 2012.
2. Four significant deficiencies related to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards.
3. Two instances of noncompliance material to the financial statements of Families Helping Families of Acadiana, Inc. were disclosed during the audit.

Section II – Financial Statement Findings

Internal Control

2012-1 Segregation of Duties

Condition: Families Helping Families of Acadiana, Inc. does not have an adequate segregation of duties with respect to the accounting function. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Organization may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that the Board be aware of this condition.

Criteria: Proper internal controls dictate that duties be segregated so that no one individual performs or controls all duties related to the accounting system.

Cause: There is inadequate segregation of duties within the accounting system.

Effect: Without adequate segregation of duties and oversight, errors or fraud could occur and not be detected increasing the risk of loss or theft of the Organization's assets.

Recommendation: Keeping in mind the limited number of employees to which the duties can be assigned, the Organization should monitor assignment of duties to assure as much segregation of duties and responsibilities as possible.

Corrective Action Plan: Management has provided as much segregation as possible with the resources available and will continue to monitor assignment and segregation of duties.

Contact Person: James Sprinkle, Director

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2012

Section II – Financial Statement Findings – Continued

2012-2 Credit Card Purchases

Condition: Families Helping Families of Acadiana, Inc.'s credit card was used for personal charges by an employee. The employee was reimbursing the Organization through payroll withholdings until the employee was terminated. There was an unpaid balance of approximately \$1,130 from the employee at the time of the termination.

Criteria: Proper internal controls prevent fraud and errors that could occur and not be detected, increasing the risk of loss or theft of the Organization's assets.

Cause: The Organization did not have certain procedures in place to ensure proper controls over credit card purchases.

Effect: Unauthorized credit card purchases were made on the Organization's credit card that were not reimbursed.

Recommendation: The Organization should develop a written policy regarding the use of its credit card and have the policy approved by the Board. The Board should also review all monthly credit card statements to determine that charges are appropriate.

Corrective Action Plan: The Board authorized the closing of all credit card accounts during the year ended June 30, 2012.

Contact Person: James Sprinkle, Director

2012-3 Bank Reconciliations

Condition: Families Helping Families of Acadiana, Inc. is not reconciling bank accounts on a timely basis.

Criteria: To ensure accurate financial reporting and to provide a process for detection of improper cash activity, the Organization should reconcile all bank accounts in a timely manner.

Cause: Bank reconciliations are not being prepared on a timely basis.

Effect: Absent the process of reconciling bank accounts timely, financial reports may be inaccurate or unavailable.

Recommendation: Management should ensure that all bank accounts are reconciled on a timely basis to ensure monthly financial statements can be prepared accurately.

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2012

Section II – Financial Statement Findings – Continued

2012-3 Bank Reconciliations (Continued)

Corrective Action Plan: Bank reconciliations will be prepared on a monthly basis by the Organization's accountant and reviewed and approved by the Executive Director and the Board.

Contact Person: James Sprinkle, Director

2012-4 Preparation of Monthly Financial Statements

Condition: Families Helping Families of Acadiana, Inc. is not preparing financial statements for presentation to the Board of Directors at monthly meetings.

Criteria: The Organization should present financial statements at monthly Board meetings.

Cause: Financial statements are not being prepared and issued to Board members.

Effect: Board members are not involved in reviewing financial statements of the Organization on a monthly basis.

Recommendation: The Organization should have procedures in place to have complete and accurate financial statements prepared monthly and issued to Board members for review at monthly Board meetings.

Corrective Action Plan: Financial statements will be prepared on a monthly basis by the Organization's accountant and will be reviewed and approved by the Executive Director and the Board.

Contact Person: James Sprinkle, Director

Compliance Material to the Financial Statements

2012-5 Timely Submittal of Audit Report

Condition: Families Helping Families of Acadiana, Inc.'s audit report was not completed and transmitted to the Legislative Auditor within six months of the close of the fiscal year.

Criteria: LA-RS 24:513 requires audits to be completed within six months of the close of the entities fiscal year.

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2012

Section II – Financial Statement Findings – Continued

2012-5 Timely Submittal of Audit Report (Continued)

Cause: The completion of the audit was delayed by the gathering of information due to personnel changes.

Effect: The audit report was not submitted on a timely basis to the Legislative Auditor, which did not have a material effect on the financial statements.

Recommendations: We recommend that the audit of Families Helping Families of Acadiana, Inc. be submitted on a timely basis in the future.

Corrective Action Plan: The Board was unaware that the previous Executive Director had not engaged an auditor to perform the audit. The new auditor was not engaged in time to ensure that the report would be filed by the due date. In the future the Board will appoint an auditor at a Board meeting before the end of the fiscal year so the audit report can be filed before the due date.

Contact Person: James Sprinkle, Director

2012-6 Preparation and Submission of Payroll Tax Returns on a Timely Basis

Condition: Families Helping Families of Acadiana, Inc. did not prepare and submit all payroll returns on a timely basis.

Criteria: The Organization is required by Federal and State Law to prepare and submit payroll tax returns on a timely basis.

Cause: The Organization did not have certain procedures in place to ensure that all payroll tax returns were prepared and filed timely.

Effect: The Organization is not in compliance with laws concerning the filing of payroll tax returns.

Recommendation: The Organization should establish procedures to ensure that all payroll tax returns are being properly filed.

Corrective Action Plan: The failure to timely file payroll tax returns occurred after the previous Executive Director and accountant both left. The Board has hired a new Executive Director and accountant and all past payroll returns have been filed. The Executive Director will review all future payroll returns to ensure the Organization is in compliance.

Contact Person: James Sprinkle, Director

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

Section I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2011-1 Segregation of Duties

Repeat comment

2011-2 Credit Card Purchases

Repeat comment

Section II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not Applicable

Section III - MANAGEMENT LETTER

The prior year's report did not include a management letter